**British Columbia Lottery Corporation**

# First Annual Report 1986

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**Cover Photo**

*The Corporation's headquarters in Kamloops. This impressive structure is a 20 year old building renovated for use as our head office.*

# Letter of Submission

The Honourable
Elwood N. Veitch
Provincial Secretary
and Minister of
Government Services

Sir:

I respectfully submit the Annual Report for the British Columbia Lottery Corporation for the fiscal year ended March 31, 1986.

James R. Chabot, Chairman

## Chairman's Message

*Whether you play a little, or a lot, or not at all, in British Columbia we all win.*

*Chairman of the British Columbia Lottery Corporation, James Chabot.*

In the fall of 1984, Premier Bennett announced that the newly formed British Columbia Lottery Corporation's headquarters would be located in Kamloops, British Columbia.

On December 1, 1985 the first workmen entered what was then a vacant medical clinic in Kamloops, British Columbia. The objective was to renovate a twenty year old building into a landmark head office for a multi-million dollar corporation.

Less than eighteen weeks later the Premier officially opened the British Columbia Lottery Corporation headquarters in Kamloops. Over 170 new jobs were created in the Kamloops community. Ninety percent of these positions were filled by residents of Kamloops and two-thirds were unemployed at the time they were hired.

In addition to the Kamloops headquarters, and the Richmond and Victoria marketing offices, the Corporation employs forty-eight field representatives in twenty-six communities throughout British Columbia. In total the payroll is over $8 million, the bulk of which is in Kamloops, where a payroll of close to $5 million is injected into the local economy. Apart from the new jobs, disposable income and other spinoff benefits, Kamloops has become a centre of technological attention.

The state of the art Data Centre situated in Kamloops is capable of handling up to 25,000 transactions per minute. It can store five billion characters of information. The network of lottery terminals in the field supported by the central system is so large that if all the network lines were laid end to end they would circle the earth twenty times.

Security features include the Corporation's technologically advanced office buildings that are monitored around the clock. Even the telephone lines that transport information to the Data Centre are scrambled with new codes every few hours. These techniques ensure that the

British Columbia Lottery Corporation's security is beyond reproach.

To date, visitors from Australia, Singapore, Sweden, Spain, Holland and many U.S. and Canadian lottery officials have toured the Kamloops facilities. The lottery world will come to British Columbia in the fall of 1987 when more than forty-two Lotto organizations world-wide will attend the bi-annual Intertoto Conference.

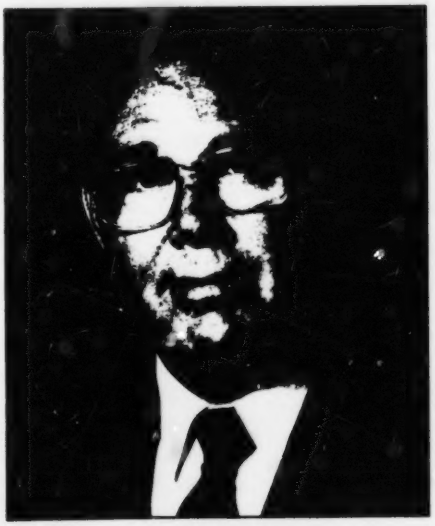
In the Corporation's first year of operation sales of $330 million exceeded all expectations. The British Columbia Lottery Corporation will continue expansion within the guidelines and policies acceptable to the majority of British Columbians.

However, the purpose of lotteries should not be forgotten. Through the Provincial Secretary's Office, profits realized from the sales of the British Columbia Lottery Corporation fund thousands of worthwhile projects such as sport, recreation, culture, heritage, medical research, and community projects.

This year, $104 million was returned to the Province of British Columbia in revenue. In addition, another $9 million was returned to the Government of Canada. Hence, the Corporation's slogan: "Whether you play a little, or a lot, or not at all, in British Columbia we all win."

## President's Message

*It has been extremely gratifying to see the hard work expended by the many dedicated people on our staff rewarded with such success.*



Guy Simonis, the President of the British Columbia Lottery Corporation.

Fiscal year 1986 marks the first year of operation for the British Columbia Lottery Corporation as a separate organization, and its inaugural year was one which was celebrated with record levels of sales and profits.

Sales for the year ending March 31, 1986 were $330 million, an increase of over 34.7 percent from the previous year, and well above predicted sales forecasts. British Columbia has achieved a current consumer spending level of $114 per capita.

The Canada-wide *Lotto 6/49* game continues to be the "flagship" game of the Corporation, representing more than 54 percent of total sales. *Lotto 6/49* sales increased 68 percent mainly due to the change in frequency of the game to two drawings per week. A further contributing factor to the overall successful growth of *Lotto 6/49* and the Corporation's other on-line lotto game, *Lotto West*, was the major expansion of the number of sales terminals in the field—more than doubling from 850 terminals at the beginning of the fiscal year to 1,800 at the end. Planned for this expansion is a 2,000 terminal network—or one terminal for every 1,450 population.

As for the balance of the Corporation's six game product line, the combined sales of the traditional games, *Pacific Express*, *Provincial* and *Super Loto* continued to face stiff competition from lottos and instants, decreasing 16 percent from the previous year to a total of $60.8 million. Instant games, however, continued their upward growth in sales and popularity, with sales increasing to over $71 million with year-round instant games.

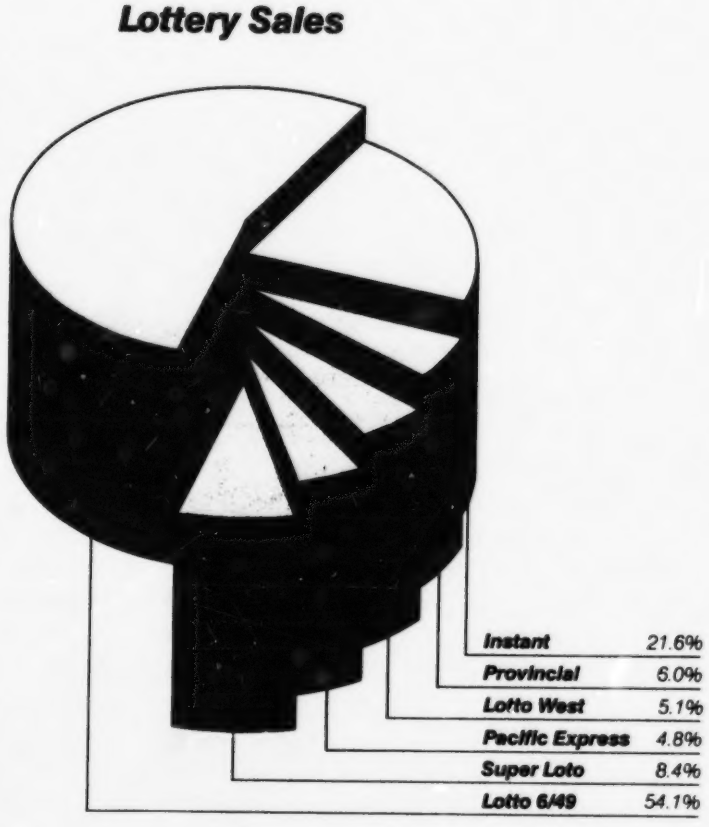
Record levels of net revenue were generated in spite of one time start-up costs. In total, net revenue of $113 million was generated; $104 million for the Province of British Columbia and $9 million for the Government of Canada.

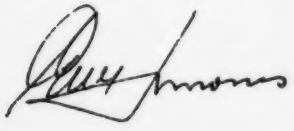
While many achievements were realized in its first year of operation, including record levels of sales and revenue, new facilities, including a state-of-the-art data centre, and

the hiring and training of over 200 new administrative staff members, the Corporation is energetically looking forward to meeting the challenges of fiscal 1987.

For fiscal 1987, continued sales growth is forecast, specifically in the area of on-line games. Fiscal 1987 will see the introduction of the Corporation's third on-line lotto game "*Lotto BC*", a weekly 5 out of 40 game only available for sale in British Columbia. Another innovation that will take place in fiscal 1987 is that *Pacific Express* tickets, currently a traditional "pouch" game, are to be printed directly at the retailers' counters through the on-line terminals.

In summary, it has been extremely gratifying to see the hard work expended by the many dedicated people on our staff rewarded with such success. All signs point to the expectation that this increased revenue performance will continue in 1987 and beyond.



**British Columbia Lottery Corporation**

# Balance Sheet

*MARCH 31, 1986*
*(in thousands of dollars)*

| | 1986 | 1985 |
|---|---|---|
| **Assets** | | |
| Cash | | |
| Prize funds | **$ 4,874** | $ — |
| Other | **4,074** | 321 |
| Receivables (Note 3) | **10,146** | 2,182 |
| Prepaid expenses | **2,202** | 877 |
| Fixed assets (Note 4) | **20,766** | 21,940 |
| | **$42,062** | $25,320 |
| **Liabilities** | | |
| Prizes payable | **$ 7,815** | $ — |
| Payable to Interprovincial Lottery Corporation | **5,451** | — |
| Accounts payable and accrued charges | **5,912** | 9,642 |
| Deferred revenue | **2,523** | 2,396 |
| Due to Government of Canada | **971** | — |
| Due to Province of British Columbia | | |
| Net income to be distributed | **6,108** | — |
| Lottery advances agreement (Note 5) | **13,282** | 13,282 |
| Share Capital (Note 6) | — | — |
| | **$42,062** | $25,320 |

Approved:

Director

Director

**British Columbia Lottery Corporation**

# Statement of Changes in Amounts Due to Province of British Columbia

*YEAR ENDED MARCH 31, 1986*
*(in thousands of dollars)*

| | |
|---|---|
| Net Income | $113,206 |
| Payments to Province of British Columbia during the year | 97,960 |
| Allocation of income to Government of Canada | 9,138 |
| Due to Province of British Columbia, end of year | $ 6,108 |
| Lottery Advances Agreement, beginning of year | $ 13,282 |
| Lottery Advances Agreement, end of year | $ 13,282 |

# Statement of Income

*YEAR ENDED MARCH 31, 1986*
*(in thousands of dollars)*

| | |
|---|---|
| Lottery Sales (Note 7) | $330,061 |
| Direct expenses | |
| Prizes | 150,767 |
| Retailer commissions | 18,720 |
| Sales less direct expenses | 160,574 |
| Operating expenses | |
| Data processing and network | 13,966 |
| Marketing, draws and promotions | 7,927 |
| Ticket printing | 7,064 |
| Administration | 5,526 |
| Sales and distribution | 4,293 |
| Depreciation | 8,592 |
| | 47,368 |
| Net Income | $113,206 |
| Distribution of Net Income: | |
| Government of Canada (Note 8) | $ 9,138 |
| Province of British Columbia | 104,068 |
| | $113,206 |

**British Columbia Lottery Corporation**

# Statement of Changes in Financial Position

*YEAR ENDED MARCH 31, 1986*
*(in thousands of dollars)*

| | 1986 | 1985 |
|---|---|---|
| **SOURCE OF FUNDS** | | |
| Net Income | **$113,206** | $ — |
| Depreciation | **8,592** | — |
| Funds provided by operations | **121,798** | — |
| Lottery Advances Agreement | **—** | 13,282 |
| Increase in payables | **1,721** | 9,642 |
| Increase in prizes payable | **7,815** | — |
| Increase in deferred revenue | **127** | 2,396 |
| | **131,461** | 25,320 |
| **APPLICATION OF FUNDS** | | |
| Acquisition of fixed assets | **7,418** | 21,940 |
| Increase in receivables | **7,964** | 2,182 |
| Increase in prepaid expenses | **1,325** | 877 |
| Payments to Province of British Columbia | **97,960** | — |
| Payments to Government of Canada | **8,167** | — |
| | **122,834** | 24,999 |
| **INCREASE DURING THE YEAR** | **8,627** | 321 |
| **CASH, BEGINNING OF YEAR** | **321** | — |
| **CASH, END OF YEAR** | **$ 8,948** | $ 321 |
| **CASH** | | |
| Prize Funds | **$ 4,874** | $ — |
| Other | **4,074** | 321 |
| | **$ 8,948** | $ 321 |

**British Columbia Lottery Corporation**

# Notes to Financial Statements

## 1. Nature of the Corporation

The British Columbia Lottery Corporation was incorporated pursuant to the Company Act of British Columbia on October 25, 1984.

By an agreement dated March 29, 1985, the Province of British Columbia withdrew from the Western Canada Lottery Corporation (formerly Western Canada Lottery Foundation). The Province designated the British Columbia Lottery Corporation as the authority to conduct and manage lottery games within British Columbia and to co-operate in the conduct and marketing of national and regional games with other Provinces of Canada. The Corporation commenced operations April 1, 1985.

The *Pacific Express* and Instant lottery games are conducted solely by the Corporation in the Province of British Columbia. The Corporation participates in *Lotto West*, a regional game, in co-operation with the Western Canada Lottery Corporation. The *Provincial*, *Super Loto*, and *Lotto 6/49* lotteries are joint undertakings by all provinces acting through the Interprovincial Lottery Corporation.

The Interprovincial Lottery Corporation is incorporated under the Canada Business Corporations Act, and its shares are held by Her Majesty The Queen in right of the respective provinces. The British Columbia Lottery Corporation is the regional marketing organization for the *Provincial*, *Super Loto* and *Lotto 6/49* in British Columbia.

## 2. Accounting Principles

The financial statements of the Corporation have been prepared in accordance with generally accepted accounting principles. The more significant of these accounting principles are summarized below.

**A. Deferred Revenue and Expenses**

Revenue and expenses relating to draws held during the year ended March 31, 1986, are included in the statement of income on an accrual basis. Receipts from the sale of lottery tickets related to draws held subsequent to March 31, 1986, have been recorded as deferred revenue. Retailer commissions on these sales have been recorded as prepaid expenses.

**B. Accounting for the Expenses of the *Provincial*, *Super Loto*, and *Lotto 6/49***

The Corporation records its proportionate share of operating expenses of the Interprovincial Lottery Corporation and interest revenue on prize funds.

As the Corporation is a regional marketing organization for the *Provincial* and *Super Loto*, it pays the cost of ticket printing and prizes for the *Provincial* and *Super Loto* to the Interprovincial Lottery Corporation as well as its share of the *Lotto 6/49* prize expense. These costs are included with ticket printing and prize expense respectively.

**C. Capital Expenditures**

The Corporation's policy on capital purchases is that any major purchase which has a future useful life beyond the current year and which will materially affect income in the year purchased, will be capitalized. These expenditures include the cost of leasehold improvements, renovations, and furniture for the Corporation's offices in Kamloops, Richmond, and Victoria, major computer equipment purchases, all on-line gaming terminals and all components of the Corporation's sign and fixture program for placement at the on-line game retailers' locations.

The Corporation's capital assets are recorded at their original cost and are depreciated on a straight-line basis according to their estimated useful life, using the following rates:

| | |
|---|---|
| Leasehold improvements | 20% |
| Furniture and equipment | 20% |
| Computer equipment | 33⅓% |
| On-line gaming terminals | 33⅓% |
| Signs and Fixtures | |
| Computer | 33⅓% |
| Non-computer | 20% |

**D. Sales**

***Super Loto*** **sales are reduced by the retail value of free tickets redeemed by the retailers.**

## Notes CONTINUED

### 3. Receivables

| | (in thousands of dollars) 1986 | 1985 |
|---|---|---|
| Retailers | $ 4,848 | $ — |
| Western Canada Lottery Corporation | 3,502 | 2,116 |
| Interprovincial Lottery Corporation | 850 | — |
| Miscellaneous | 946 | 66 |
| | $10,146 | $2,182 |

Receivables include the British Columbia Lottery Corporation's share of the unclaimed prize fund held by the Western Canada Lottery Corporation for unclaimed prizes with respect to lotteries conducted solely by the Western Canada Lottery Corporation prior to March 31, 1985. Pursuant to the Agreement of March 29, 1985, with the Western Canada Lottery Corporation the amount of the unclaimed prize fund as of March 31, 1986, for draws conducted between April 1, 1984, and March 31, 1985, plus accrued interest will be transferred to the British Columbia Lottery Corporation upon agreement between the Chief Executive Officers of the British Columbia Lottery Corporation and the Western Canada Lottery Corporation. The amount of the settlement which is estimated at $2,941,000 has been recorded as a receivable with the corresponding amount recorded as a liability for prizes payable. This amount will be dedicated to bonus prizes for games in British Columbia.

### 4. Fixed Assets

| | | | (in thousands of dollars) 1986 | 1985 |
|---|---|---|---|---|
| | Cost | Accumulated Depreciation | Net | Net |
| Leasehold improvements | $ 6,361 | $1,272 | $ 5,089 | $ 4,772 |
| Furniture and equipment | 2,593 | 519 | 2,074 | 1,689 |
| Central system computer hardware | 7,183 | 2,394 | 4,789 | 10,402 |
| On-line gaming terminals | 13,041 | 4,347 | 8,694 | 5,077 |
| Signs and fixtures | 180 | 60 | 120 | — |
| | $29,358 | $8,592 | $20,766 | $21,940 |

Pursuant to the Separation Agreement with the Western Canada Lottery Corporation, the British Columbia Lottery Corporation purchased all operating equipment and assets of the Corporation located in British Columbia for the nominal sum of $10, at which value these assets have been recorded.

All other assets were purchased under normal trade terms and are recorded at cost.

Certain expenditures capitalized as fixed assets in 1985 included consulting fees such as project management costs to start up the on-line gaming system and related management information systems. These costs were expensed in 1986 being the first year of operations.

### 5. Lottery Advances Agreement

Under the Lottery Advances Agreement, the Corporation has agreed to conduct and manage lottery games in British Columbia and for that purpose the Corporation has a facility for advances from the Province, in an amount up to an aggregate of $25,000,000. The amount of the advance at March 31, 1986, is $13,282,332. The advance is not subject to interest and there are no specified terms of repayment.

As security for performance of the Corporation's obligations under the Lottery Advances Agreement, the Corporation will, if requested by the Province, grant to the Province such mortgages, pledges, charges or assignments as the Minister may require on the Corporation's assets.

### 6. Share Capital

Authorized: 10,000 Common Shares without par value
Issued: 1 Common Share for $1.00

### 7. Lottery Sales

| | *(in thousands of dollars)* |
|---|---|
| *Lotto 6/49* | $178,484 |
| *Instant* | 71,360 |
| *Super Loto* | 30,541 |
| *Provincial* | 19,855 |
| *Lotto West* | 19,437 |
| *Pacific Express* | 15,788 |
| | 335,465 |
| Less Free Ticket Redemptions | 5,404 |
| | $330,061 |

### 8. Payments to Government of Canada

The Interprovincial Lottery Corporation makes inflation-adjusted payments to the Government of Canada as a result of an agreement between the Provincial Governments and the Federal Government on the withdrawal of the Federal Government from the lottery field. The Corporation remits British Columbia's share of the above payments to the Interprovincial Lottery Corporation. Payments under this agreement are estimated to be $4,500,000 for the year ended March 31, 1987.

In addition, a further agreement was signed between the provinces and the Federal Government whereby the provinces agreed to remit a further $100 million to the Federal Government over the next three years. The Corporation's share of this payment is $3,883,000 annually to December 31, 1987.

### 9. Lease Obligations

Long-term office space leases will expire as follows: Kamloops, 1994; Richmond, 1995; Victoria, 1987; and Kelowna, 1987.

Minimum annual rental payments for the next five years are disclosed below.

| | *(in thousands)* |
|---|---|
| 1986–87 | $538. |
| 1987–88 | 492. |
| 1988–89 | 485. |
| 1989–90 | 495. |
| 1990–91 | 508. |

### 10. Subsequent Events

On April 20, 1986, the Corporation commenced sales of a new on-line lottery game, *Lotto BC*. The game is conducted only in British Columbia and features fixed lower-end prize categories and pari-mutuel upper-end prize funds with a jackpot of never less than $150,000.

### 11. Previous Year's Figures

Certain 1985 Balance Sheet figures have been consolidated to conform to the balance sheet classifications adopted in 1986.

## Auditor's Report

To the Directors of the
British Columbia Lottery
Corporation:

We have examined the balance sheet of the British Columbia Lottery Corporation as at March 31, 1986, and the statements of income, changes in amounts due to the Province of British Columbia, and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1986, and the results of its operations, and the changes in the amounts due to the Province of British Columbia, and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Kamloops
British Columbia
May 30, 1986

Cook Bryan MacFayden
Chartered Accountants

## Economic Impact

Apart from generating over $113 million for public purposes, paying out over $150 million to lottery prize winners and over $18 million earned by lottery retailers within the Province, the lotteries contribute to the support of the economy in British Columbia through the purchase of goods and services.

In this fiscal year alone, over $30 million was spent for goods and services bought from British Columbia companies. These expenditures included:

- over $6 million paid to television stations, radio stations, newspapers and printers for broadcasting advertising and winning number messages;
- over $5 million paid to the telephone company for telephone line costs and maintenance support of close to 2,000 point of sale computer terminals;
- over $4 million paid to business equipment suppliers;
- nearly $3 million paid for supplies and freight;
- over $2 million to rent and furnish the three office facilities maintained within the Province, and
- over $1 million in professional fees for audit, legal, research, advertising, computer and management consulting services.

In addition, over $8 million in salaries and benefits was paid to the nearly 300 employees of the Corporation—located in over two dozen communities in British Columbia.

## Where the Money Goes

*Whether you play a little, or a lot, or not at all, the Lottery is making your life a little better today and tomorrow!*

The Government of British Columbia distributes lottery funds to people and communities throughout the province because people and communities are what lottery benefits are all about. This year more than $100 million will go into making today a little better and tomorrow a little brighter for all of British Columbia.

## Sports and Recreation

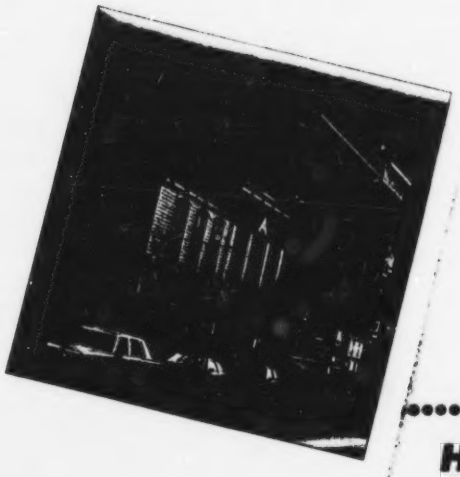
Here in the Super Natural Province, sports and recreation are a way of life...for everyone! The Premier's Sport Awards funded by lottery grants, recognizes the achievements of children in the Province. The B.C. Winter and Summer Games and Special Olympics provide the chance for B.C.'s young athletes to test against the best. Lottery grants have also made possible the Pacific Riding Club for the Disabled. Recreation Centres for senior citizens, judo clubs, gymnastic clubs and ski clubs are all made possible by lottery profits. And for those who want to keep on playing, lottery funds provide a spectrum of activities...for everyone!

*Lottery funding supports the B.C. Summer Games, exemplified by this tennis competitor.*

*Preservation of culture. Lottery funds help the Caravan Stage Company continue its theatrical trek along the west coast.*

## Performing Arts and Culture

Every year, lottery funds play a major role in presenting and preserving the many faces of British Columbia culture. The Legacy Collection of West Coast Native Art with both acquired and commissioned pieces has already toured widely. The Dr. Sun Yat-Sen Gardens reflect our close historical and trading links with the Pacific Rim. The Arts Club Revue Theatre, the Orpheum, the Pacific Ballet, the Vancouver Symphony and the Johannesen International School for the Arts in Victoria are all focal points of our culture supported by your lottery. The Children's Arts Umbrella, Vancouver Art Gallery and other renowned groups are all part of British Columbia culture today, all building a heritage for tomorrow.

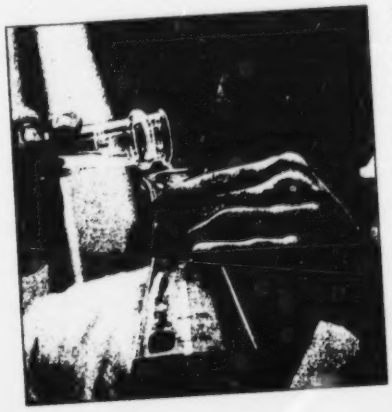


The preservation of Nelson's heritage buildings has been assisted greatly by lottery dollars.

*Everybody can play and, most important of all, everybody benefits.*

## Heritage

The B.C. Heritage Trust, the lead agency for preserving tributes to the past, is funded entirely by lottery monies. Additional funds have gone to restoring downtown Nelson to its turn of the century splendor, finding and preserving the historic "Ericcson" that sank in 1892, and refurbishing countless buildings throughout the province.



## Health Care Research

Extensive funding by lottery dollars is opening the doors of tomorrow by way of the B.C. Health Care Research Foundation. Special consideration is given to cardiovascular, cancer, fitness and mental health projects, as well as health delivery and evaluation techniques. Here in British Columbia our emphasis is on more research today for better health care tomorrow.

The B.C. Pavilion, a star in the EXPO 86 galaxy. Lottery monies helped build the Pavilion and are helping pay for the exposition.

## Special Projects

Through the Government of British Columbia, up to $250 million of lottery revenue has been earmarked for the staging of EXPO 86 and $20 million of lottery monies helped make the British Columbia pavilion a centerpiece for Expo and a landmark for tomorrow.

## Winners and Prizes

The $10,000 smile of Peggy Davis of Prince George.

Russ Calvert, and his fellow winners from Dawson Creek.

### Prize Fund

Over $150 million was dedicated to prizes in British Columbia in this fiscal year. The prize fund is established by setting aside 50% of *Lotto West*, 45% of Instant tickets and 45% of *Pacific Express* net sales.

The prize fund for *Super Loto, Provincial* and *Lotto 6/49* is established at 45% of net sales. It is administered by the Interprovincial Lottery Corporation.

From these prize funds all claims are met and, if after the expiry of the one year claim period any funds remain unclaimed, this amount will be returned to the players in the form of bonus prizes or additional prizes.

### How Many Winners?

British Columbia experienced the addition of a millionaire winner at the rate of one per month.

Ten winning tickets paid off $1 million or more, with the highest British Columbia winner cashing a $3.9 million winner's cheque.

If all other prizes were divided equally among all British Columbians, each would have won more than seven times this year.

Over 21 million prizes were administered through the Corporation. Most of these were in the $2, $5 and $10 category, but many millions were paid out on more substantial prizes of $50, $100 and $1,000.

Ten winners shared in prizes of one million or more for a total of $19 million.

Over $23 million was shared by those winners who won between $1000 and $100,000.

Those who stayed under the "magic" $1 million prizes but won $100,000 or more totalled 125 for $22.9 million.

Seventy-two Cadillacs were won in British Columbia as bonus prizes, while another 9 Ford Tempos were added to the lottery winners' fleet roaming the highways of British Columbia.

### Lotto 6/49—Is B.C. Getting Its Share?

Sales in Canada of the popular *Lotto 6/49* game were $1.255 billion with $565 million (45%) going to prizes.

British Columbia sold over $178 million of *Lotto 6/49* tickets. The British Columbia contribution to the national prize pool was $80 million and British Columbia tickets won a total of $80 million.

The law of averages is alive and well in British Columbia.

### Why not put more prize money in smaller prizes?

The division in British Columbia of the amounts dedicated to *Lotto 6/49* shows vividly that nearly twice as much prize money went to the lowest prize category ("3 correct wins $10") than was shared by much publicized jackpot winners ("6 correct").

| | |
|---|---|
| 6 correct | $18 million |
| 5 correct plus bonus number | $11 million |
| 5 correct | $ 6 million |
| 4 correct | $12 million |
| 3 correct | $33 million |

Throughout the five century career of the lottery, integrity, entertainment and revenue for common good are still the heart of the game.

### The Draw

The draw televised live on BCTV is known as *Winsday in B.C.* Televising the draw live reinforces the lottery's integrity. Representatives of the nationwide auditing firm of Clarkson Gordon and Co. supervise every aspect of the draw to ensure that the event is conducted in a secure and unimpeachable manner.

The draw machines are manufactured by Ryo Catteau of Wattrelos, France, a specialist for over 50 years in the production of lottery apparatus. The lottery balls themselves are tested weekly by the security staff for standards of resilience, sphericity, volume and density. Each ball costs approximately $100, as they are made to exact tolerances.

### On The Road Again

Since its debut April 3, 1985, the draw visited Kamloops, Prince George, Fort St. John, Kelowna, Cranbrook, Burnaby, Victoria, Duncan, Penticton, Richmond, Quesnel, Chilliwack, Nanaimo, Prince Rupert, Armstrong, Williams Lake, Campbell River, Whistler, Vernon and Nelson.

In the entertainment arena, the *Winsday in B.C.* show proved to be one of the most popular lottery events in the Province. Much of the show's success can be attributed to the enthusiasm and support that each community provided, including the local talent during the pre-show entertainment. Many of these guests also participated in the actual draw as "button pushers". Steve Fonyo was one of the special guests for the August 7th show. After the draw, Steve remained to chat about his "Journey for Lives", which thrilled the audience.

At the Civic Arena in Quesnel on July 17th, *Winsday in B.C.* marked the official opening of Billy Barker Days. The famous Billy Barker was one of the special guests, escorted by Miss Quesnel, Beverley Dagleish.

Special guests throughout the year included Chief Dennis Alphonse of the Cowichan Indian Band, three members of the B.C. Lions Football Team, the talented Ruth Nicol from the Arts Club Revue Theatre in Vancouver, and many others.

Not only was *Winsday in B.C.* the vehicle bringing the *Pacific Express* draw into players' homes 52 times this year, but the show generated considerable business in each community. *Pacific Express* sales increased substantially in each area that the draw travelled to, translating into increased revenue for British Columbia projects and programs.

The heart of the lottery remains constant: integrity, entertainment and revenue for common good.

Draws are televised because not only do lotteries have to be fair but they have to be seen to be fair. Neither chances nor prizes determine the survival of the lottery. The only rule is that every chance has the same chance.

*Steve Fonyo (right) took part in the August 7th draw activities with Dr. Pierre Band (left) of the Cancer Control Agency of B.C. and show host Shirley Foux.*

*What a year for the Corporation, and it's all because of you, the retailer.*

*The vital link between our customers and the Corporation, the Retailer Network, which sells the tickets.*

The British Columbia Lottery Corporation Retailer Network is the link between the lottery and the player.

Over 2,000 retailers make up the network. At the end of this year more than 85% of the network was on line. That means that over 1,700 retailers provide a full service to customers, offering all games and prize payout, up to and including $200.

While there is a variety of retailers ranging from booths in malls to large chain stores, the majority of retailers are individual owner-operated stores.

Over $18 million in retailer commissions was injected into the business community. As a result of this, approximately 1,000 jobs have been created in the retail industry.

The lottery business provides a healthy income from commissions but at no risk or investment by the retailer. On-line equipment and fixtures with a value of close to $15,000, on average, are provided by the Corporation to each retailer.

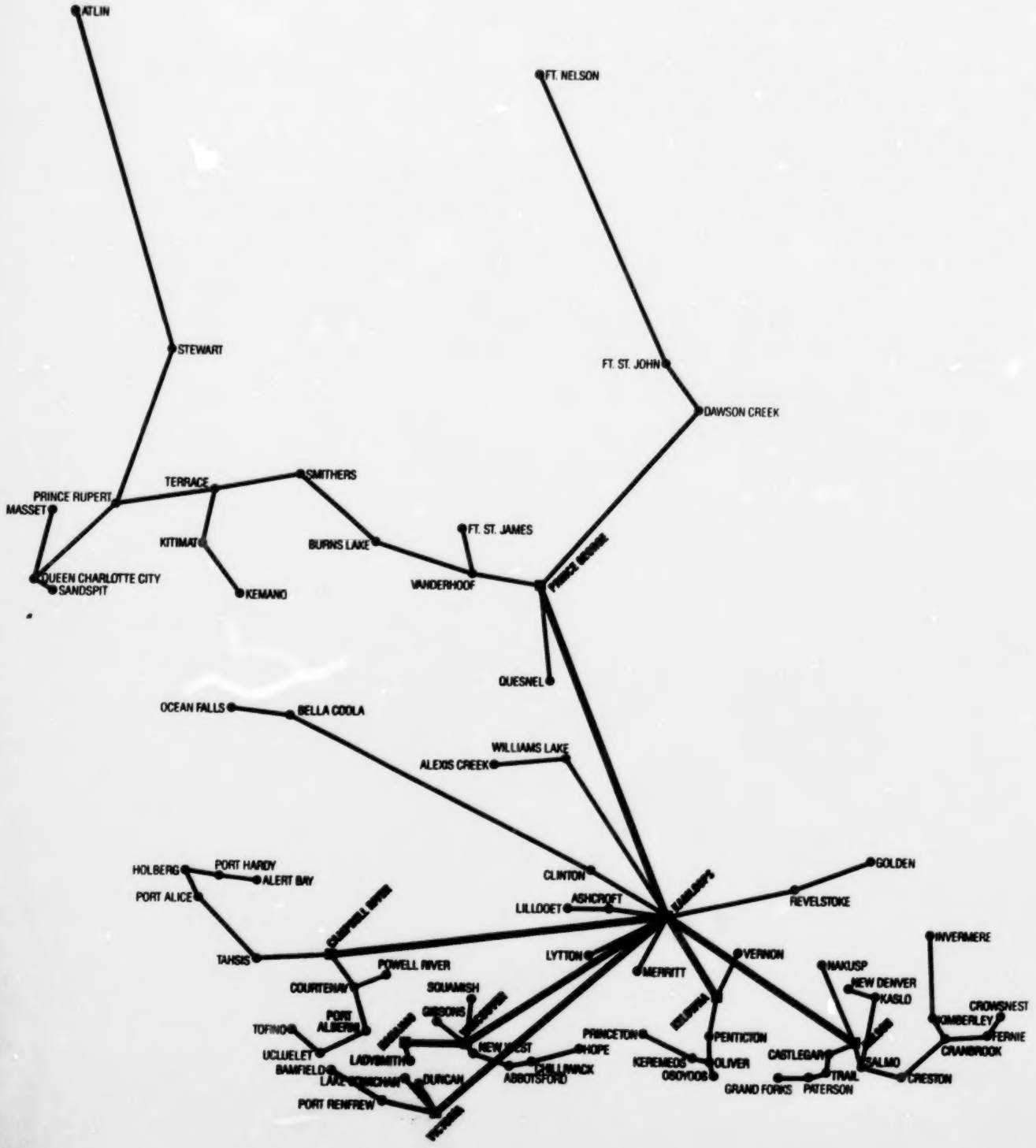
Lottery messages are broadcast to the players through electronic signs displayed at Lottery Ticket Centres. The broadcast system is controlled from Kamloops and has the capacity to adjust messages during the day or vary the content of messages from retailer to retailer.

The Corporation's newspaper, *Luck*, has a circulation of 167,000 copies every week, over 8 million a year. Winning numbers, winners' stories and other lottery related articles are all included in this free publication available at each Lottery Ticket Centre.

Over 48 field representatives provide weekly service to retailers throughout the Province, delivering point of sale promotional material and merchandise to assist the retailer in becoming successful and profitable.

The retail industry benefits from the lottery, another example of "Whether you play a little, or a lot, or not at all, in British Columbia we all win."

# Dataline Network



## Board of Directors

*MARCH 31, 1986*

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*and Deputy Minister*
*of Government Services*
*Secretary*

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*Provincial Secretary and*
*Minister of*
*Government Services*

Guy Simonis
*President*
*British Columbia*
*Lottery Corporation*


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